

MONTANA BOARD OF HORSE RACING MEETING

3:00 P.M., June 29, 2009

Telephone Conference Call

APPROVED MINUTES

ATTENDANCE:

Al Carruthers	Chairman	Sue Austin	Board Member
Topper Tracy	Vice Chairman	John Ostlund	Board Member
Susan Egbert	Board Member		
Ryan Sherman	Executive Secretary	Sherry Meador	Legal Counsel

PUBLIC IN ATTENDANCE: Robert Cooke, Kim Bagnell, Rance Savage, Rada Rogers, Eric Spector, Ben Carlson, Jim Espy, Fred Davis, Francy Martin, Randy Laedeke, Lou Wojciechowski

CALLED TO ORDER: Chairman Carruthers called the meeting to order at 3:00 pm

MINUTES: Minutes were waived for next meeting.

NEW BUSINESS:

- A. Executive Secretary's Report – Ryan Sherman informed the board that he would be sending out a monthly report to the board that would be accessible to the public through the state web page.
- B. Executive Secretary Ryan Sherman gave a report on year-to-date totals on Fantasy Sports Wagering and Advanced Deposit Wagering.
- C. Update on Simulcasting – Spector reported that for 85 days of simulcasting since ME began operations, the average daily handle was \$16,739. He stated that ME believed they had stabilized OTB's and were growing OTB's in the major markets. He stays in touch with Ryan Sherman on a weekly basis.

Member Tracy requested that the Executive Secretary's Report include updates on fantasy sports, ADW and Simulcasting.

Member Austin asked if there had been a response to the NCAA's prohibition of fantasy sports games in NCAA tournament communities. Sherman informed the board that the Attorney General Steve Bullock sent a letter to the NCAA in support of fantasy sports, and that the athletic directors of both UM and MSU are working on it. The NCAA executive committee will be meeting at the end of August to address it. Sherman explained NCAA issue to public attendees.

Member Austin asked if all the ADW betting sites were licensed with us now. Sherman that we have licensed two ADW sites – TVG and Magna. There are two applications in progress and two

applications have been denied because they would not give Montana reasonable percentage ($\leq 1\%$). Accordingly, it will be illegal for the two denied sites to take bets from Montana residents.

RULES COMMITTEE: Members Egbert and Carruthers volunteered for the rules committee. Sherman suggested to the Board a rule change allowing uncoupling of horses for wagering purposes. Chairman Carruthers explained that a owner or trainer who has two horses in the same race field has to be coupled and ultimately decreases the betting opportunity. Sherman requested that the board start now on changing this rule and discuss other changes at the next meeting. Meador stated that rule changes require a 28 day comment period and publication of proposal and adoption in the MAR (comes out twice a month). Spector asked if an emergency rule could be put in place for Great Falls. Meador stated that the change would not qualify as an emergency. Spector noted that it would still be good for the Billings meet to get it adopted soon. Member Austin moved to implement the rule change. Member Egbert seconded. Motion passed.

2009 LIVE RACE MEET PROGRESS: Sherman informed the board that the Miles City handle was up. Chairman Carruthers expressed concern that the Great Falls track wasn't ready (broken equipment) and questioned the racing secretary's choice of races. There was further discussion of race distances but it was determined not to be a board issue. Member Egbert asked whose responsibility it was to maintain the track equipment. Spector said that according to the lease agreement, Great Falls is responsible for the equipment. Spector informed the board that the issue of equipment would be resolved in the next day.

Chairman Carruthers asked if the gate was delivered to the GF track. Spector told the board that the lease for the gate was with Tru-Center Gate Company. Carlson informed the board that he had just received the check for the gate and it is ready to be sent. Spector told the board that ME's equipment specialist will be coming next week.

FUTURE BOARD MEETING PLANS: Member Tracy commented that he didn't like telephone conference calls and thought they were ineffective when all the information was not before them and the board didn't know who was actually present. Sherman noted that the next board meeting, July 17th, will be at the Great Falls race meet. He further noted that while board meetings held in person have costs an average of \$2400 for each meeting. The board has had two face-to-face meetings and two telephone conference calls already this year.

PUBLIC COMMENT: Chairman Carruthers opened the meeting for public comment. There was further discussion regarding proposed races in Great Falls. The public was welcomed to direct comments directly to racing secretary for his consideration.

Rance Savage asked when horses would be on the ground in Billings. Carlson said that he and Sherman will be attending a meeting with commissioners to discuss it today. They are requesting that the August 15th date would be moved up to July 22nd.

Rada Rogers commented that she appreciated being able to participate by telephone. Otherwise, she would not be able to attend the board meetings.

Ben Carlson informed the board that Yellowstone Racing Alliance would be interested in having a simulcast site at the track. Carlson said they've been unable to come to an acceptable agreement with ME for a site. Spector questioned whether MSP could reapply for a simulcast license in 2009. It was clarified that it was YRA, not MSP, who was requesting the site. Meador explained that the board could address the issue of application only if YRA submits an application or files a complaint, and then, it must be considered in light of the dates granted to ME. YRA and ME were encouraged to work something out for their mutual benefit. Member Ostlund expressed concern that the board may have acted too quickly on granting a simulcast license to Montana Entertainment.

Kim Bagnell asked Spector if ME was pursuing any other facilities in Montana. Spector stated that they were interested in Kalispell and Missoula but was waiting on the fair ground consultant's report to the commission.

Member Egbert moved that the meeting be adjourned. Member Austin seconded. Motion passed.

The meeting was adjourned at 4:00PM

Signature

Date